

Uncovering an Indiana Treasure . . .

The Central Canal



The beautiful waterway that slowly passes by the north side of the Indiana State Museum was once part of a major multi-million dollar project that ultimately bankrupted the state. The Central Canal was part of the Mammoth Internal Improvements Act that was signed into law by Governor Noah Noble on January 27, 1836. The Act carried a \$10 million dollar price tag, and its largest single project was to be the Central Canal whose proposed 296-mile pathway consumed \$3.5 million of the total amount. The Central Canal was the longest of the canals planned to be built in Indiana, but unfortunately very little of the canal was actually constructed and then watered.

In 1825, the success of the Erie Canal in New York State was bringing commerce and trade to the east. For the first time, the Great Lakes were connected via the Hudson River Valley to eastern ports and the Atlantic Ocean by water. “Canal Fever” soon became rampant in many of the midwestern states, including Indiana. By 1827, Indiana began to long for a system of canals that would connect its cities to major waterways and in turn, avenues of commerce and trade.

Originally, the Central Canal was proposed to extend from Peru, down the Mississinewa River Valley to the White River in Indianapolis and on to the city of Worthington. Here it would meet the Cross-Cut Canal and proceed 111 miles to Evansville. After the approval of the Mammoth Internal Improvements Act in 1836, construction immediately began on the Central Canal. It was considered to be the most important of the improvements because it would cross the landlocked center of the state and connect Indiana’s capital to the world.

Unfortunately, several construction projects that were approved in the Act were started at the same time. Due to lack of funds, no one project received 100% of the financial support that it needed. For example, construction of the Central Canal took place in many different areas. In the canal’s northern portion, which was from Peru to Broad Ripple, only limited digging took place, mostly in Madison and Delaware counties. In the southern portion, from Port Royal (now Waverly, in Morgan County) to Evansville, only about 20 miles were dug in Vanderburgh and Warrick counties.

However, it was the section through Indianapolis that received the most attention with the entire length, from Broad Ripple to Port Royal, a distance of 24 miles, being dug. On June 27, 1839, water was first let into the Canal at the feeder dam in Broad Ripple. This source filled the Canal as far south as Pleasant Run, a creek that empties into the White River in southern Center Township, making the watered portion of the canal approximately eight miles in length.

Sadly, the rest of the Central Canal never saw water. The state had borrowed the money to fund the Mammoth Internal Improvements Act from bankers and investors at five percent interest. From 1837 to 1839, a severe depression and financial panic gripped the nation. By 1841, Indiana could not even pay the interest on its internal improvement debt, much less the principle. The state was bankrupt. The delinquent interest was increasing by half a million dollars a year. Creditors in London and New York finally appointed a lawyer, Charles Butler, to negotiate

repayment. By 1847, a compromise was reached between Butler and the state legislature where the state would repay approximately half of the debt along with additional compensation to bondholders.

The bankruptcy of the state created by the failure of internal improvements was one of the principle reasons that a new state constitution was created in 1851. This constitution prohibits the state from going into debt, and it still guides the State of Indiana to this day.

As for the Central Canal, it was sold to private owners in 1850, who operated the eight-mile stretch from Broad Ripple to the White River. Ultimately, the Canal was acquired by the Indianapolis Water Company in 1871. The water company used the Canal to provide water power for turbines, which pumped water from wells to Indianapolis consumers. The pump house, which is now the White River State Park Visitor's Center, was built for this purpose. In 1904, the Indianapolis Water Company also began to use water from the Canal as a source for purification and distribution to customers. Several other businesses, including different types of mills, used the canal's water for power. Thirty-eight different companies used it as a source of ice during the winter and for storage and sale in the summer. Boat companies also employed a variety of recreational craft to renters who would traverse up and down the canal's length.

In the late 1960's, part of the Canal was forced underground because an interstate road system was constructed through its bed. In 1969, the Water Company discontinued using the Canal for a source of water power at its West Washington Street station and made the downtown portion, south of 16th Street, available for sale.

In 1976, the Water Company deeded this portion of the Canal to the City of Indianapolis, and in 1985 the Canal was drained south of Interstate 65. This portion of the Canal was lowered and rebuilt using concrete for its banks, bottom, towpath and berm. It was filled from a skyscraper's geothermal heating and cooling system using ground rather than surface water. This "new" version of the Central Canal, now known as the "Indianapolis Canal Walk," generally follows the path of the original Central Canal from 11th Street to West Washington Street. It passes by residential complexes, the U.S.S. Indianapolis Memorial and through the center of the White River State Park.

The "upper portion" of the old Central Canal, from its guard lock above the White River Dam at Broad Ripple to a junction with the White River at 30th Street, is now part of the Central Canal Towpath, an Indy Greenway Trail. Recreational enthusiasts may traverse the old towpath along this portion of the Central Canal down the same trail that horses and mules once used to pull canal boats. The "upper portion" of the Central Canal continues beyond the greenway from 30th Street to 19th Street where it is dammed, preventing flow into the interstate culvert and into the portion which is dry. The dry portion located between 19th Street and 11th Street is the only break in the original watered eight miles of the Central Canal that was completed through the city of Indianapolis.

Additional Resources:

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A Brief Commentary on the Central Canal. Indiana Canal Society, 1997.

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Fatout, Paul. *Indiana Canals*. West Lafayette: Purdue University Studies, 1972.

Indiana Central Canal – Indianapolis Division Canal Walk. City of Indianapolis, Department of Metropolitan Development, Real Estate Division, 2002.

<http://www.indygov.org/dmdrealestate/canal/CANAL%20WALK%20HISTORY-rev2002.pdf>